

Safety Maintenance Account

(Fiscal Year — July 1, 2019 to June 30, 2020)

through month of August 2019

	<u>Fiscal Year 2019-20</u>		<u>Fiscal Year 2018-19</u>	<u>All Activity Since Act 40 Inception (1)</u>
	<u>Month of August</u>	<u>Fiscal Year Year to Date</u>	<u>Total for Fiscal Year</u>	
Beginning balance.....	\$ 9,868,521	\$ 9,784,128	\$ 16,507,090	\$ —
<u>Receipts</u>				
Out of state registrations.....	2,169,250	2,169,250	20,072,347	38,697,808
Investment earnings on Safety				
Maintenance Account balances.....	86,536	170,929	453,292	675,100
IMTF transfer to cover shortfall (2).....	—	—	12,751,399	12,751,399
Total Receipts.....	<u>2,255,786</u>	<u>2,340,179</u>	<u>33,277,038</u>	<u>52,124,307</u>
<u>Disbursements</u>				
Transfer to Department of Revenue				
to fund estimated Preventative				
Maintenance Tax Credits (3).....	<u>—</u>	<u>—</u>	<u>(40,000,000)</u>	<u>(40,000,000)</u>
Ending balance.....	<u>\$ 12,124,307</u>	<u>\$ 12,124,307</u>	<u>\$ 9,784,128</u>	<u>\$ 12,124,307</u>

(1) Act 40 — the South Carolina Infrastructure and Economic Development Reform Act — became effective July 1, 2017. Act 40 established the Safety Maintenance Account and provided that registration fees deposited into the Safety Maintenance Account, which are derived from vehicles originally registered in another state and then subsequently registered in South Carolina, can be used only to fund state individual income tax credits for preventative maintenance costs incurred on private passenger vehicles.

(2) For FY2018-19, available funds in the Safety Maintenance Account were not sufficient to fund an anticipated \$40 million of Preventative Maintenance Tax Credits (*individual income tax credit starting with 2018 tax year*) that were estimated by the S.C. Revenue and Fiscal Affairs Office. As a result, in January 2019, \$12,751,399 was transferred from the Infrastructure Maintenance Trust Fund (IMTF) to the Safety Maintenance Account to cover the anticipated shortfall as directed by Proviso 84.15 of the FY2018-19 General Appropriations Act.

(3) \$40 million was transferred to the Department of Revenue in FY2018-19 to fund anticipated Preventative Maintenance Tax Credits as estimated by the S.C. Revenue and Fiscal Affairs Office.